

Division of Health Care Finance
Projected Reserve Calculation
Medical, Pharmacy, Dental and Vision
Projection as of December 2017

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Factors and Assumptions														
Interest Rate on Reserves	0.1%	0.2%	0.3%	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	0.8%	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical cost trend rate	5.9%	2.3%	7.1%	-5.1%	5.0%	5.5%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Rx cost trend rate	6.2%	1.3%	6.0%	3.2%	8.0%	7.5%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Policy Choices						<i>Future Policy Choices.....</i>								
State Employer Contr. % incr. (eff. July 1)	-2.0%	-8.5%	0.0%	7.0%	7.7%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Non-State Employer Contr. % incr. (eff. July 1)	-2.0%	0.0%	6.0%	7.0%	7.7%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Contribution % Increase														
Active Employee Only	-2.0%	0.0%	6.4%	9.0%	7.7%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Spouse Only	-2.0%	0.0%	36.7%	30.4%	31.7%	16.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Retiree Rate Increase	-2.0%		21.30%	46.1%	0.0%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Beginning Total Reserve Balance	210,048,485	194,666,302	124,938,539	32,625,824	24,343,301	35,356,493	62,512,746	86,896,753	98,353,881	112,793,966	121,412,244	123,656,013	118,974,396	106,747,675
Projected Cash Flow														
Total Employer Contributions	363,183,109	344,369,078	326,956,665	331,832,868	346,606,521	366,028,580	378,145,195	390,917,773	403,813,606	417,032,934	430,941,420	445,233,967	460,027,741	475,542,998
Total Participant Contributions	118,499,577	107,742,610	117,580,138	143,893,489	140,525,705	154,310,380	165,473,482	177,879,501	190,341,648	204,564,411	219,689,548	236,162,591	253,944,800	273,696,407
Total Contributions	481,682,685	452,111,688	444,536,802	475,726,358	487,132,225	520,338,960	543,618,677	568,797,274	594,155,255	621,597,344	650,630,968	681,396,559	713,972,541	749,239,405
Total Plan Expenses (Claims, ASO fees & contracted expenses)	497,077,244	522,197,896	537,241,182	484,123,938	476,300,293	493,447,881	519,703,515	557,991,871	580,452,825	613,825,021	649,297,790	687,005,596	727,091,570	769,708,068
Interest on Reserves	12,375	358,445	391,664	115,058	181,260	265,174	468,846	651,726	737,654	845,955	910,592	927,420	892,308	800,608
Net Cash Flow	(15,382,184)	(69,727,763)	(92,312,716)	(8,282,523)	11,013,192	27,156,253	24,384,007	11,457,128	14,440,084	8,618,278	2,243,770	(4,681,618)	(12,226,721)	(19,668,055)
Projected Reserve Balance														
Reserve Ending Balance	194,666,301	124,938,539	32,625,824	24,343,301	35,356,493	62,512,746	86,896,753	98,353,881	112,793,966	121,412,244	123,656,013	118,974,396	106,747,675	87,079,620
Target Reserve	54,724,865	57,993,089	59,439,802	52,487,868	51,402,045	53,636,661	56,855,992	61,575,883	64,199,306	68,226,326	72,510,725	77,069,101	81,919,126	87,079,620
IBNR Claim Reserve	31,572,037	33,477,922	34,292,193	30,281,462	29,655,026	30,944,227	32,801,534	35,524,548	37,038,061	39,361,342	41,833,111	44,462,943	47,261,034	50,238,242
Claim Fluctuation Reserve	23,152,827	24,515,167	25,147,609	22,206,406	21,747,019	22,692,433	24,054,458	26,051,335	27,161,245	28,864,984	30,677,615	32,606,158	34,658,092	36,841,378